

Good morning everyone, and may I say what a pleasure it is to be in Dubai once again. This is a city that is constantly changing, and thus a fitting venue to discuss the continuous changes impacting our business. This is really an extraordinary place, not least because of the diamond trading levels that have rocketed from a few million annually to considerably more than \$30 billion today.

The focus of this conference is Africa and its developing role in the global diamond industry. There is no doubt that Africa is rightly taking its proper place in the worldwide trade, and we should all applaud and encourage that. I am delighted to see the large attendance for this Second Dubai Diamond Conference, and also the high-profile ministers and officials who are taking part. Your attendance is a tribute to the importance of this conference in bringing together so many people from all the different elements of the diamond and jewelry pipeline to discuss a wide range of issues that are on the global agenda.

I would like to thank the organizers for inviting me, particularly Ahmed Bin Sulayem, Executive Chairman of the Dubai Multi Commodities Centre, and my colleague from the World Federation of Diamond Bourse, Peter Meeus, the Chairman of the Dubai Diamond Exchange, and all protocols observed.

I know it involves an enormous amount of effort and organization and many months of hard work and late hours, so may I, via your industry leaders, thank everyone involved. You deserve a round of applause.

Conferences such as these are critical for the diamond industry to focus on the issues and challenges facing us – and this conference covers all the main subjects that we are dealing with both at the WFDB and other industry organizations. I must stress that the WFDB is fully aware of the breadth and depth of these problems, and that we are taking all steps possible to address them and to aid all our members.

This includes the issue of synthetic stones. Are they a threat or can they actually help the diamond industry expand its sales? I am looking forward to the panel on synthetics where I am sure we will have a comprehensive and in depth discussion.

There is also a panel on diamond industry financing – this again is a critical issue and probably the most important one facing the modern-day diamond trade. We are constantly in touch with bodies that can help our members to secure funding. We are holding ongoing talks with the relevant groups and institutions, producers and banking institutions and many others. Our WDFB members and colleagues here and across the world, are the heart and soul of the diamond industry and we are making sure that the other stakeholders are aware of the need to help us find solutions for the good of all of us.

Another critical challenge for my members which is related to financing is profitability – or to be more precise the lack of profitability. Rough prices remain high and polished prices are static or falling – this is not a situation in

which manufacturers can operate and is causing not inconsiderable dilemmas.

And on the issue of finance, I would like to say a few words about the latest report that the Financial Action Task Force, or FATF, has completed.

We regard the work of the FATF in relation to the diamond industry as very important. The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. It has developed recommendations that are recognized as the international standard in these fields.

At the WFDB, we have had meetings with this organization and plan to have further such meetings. Indeed, we regard cooperation with this body as critical in order to ensure there is no doubt whatsoever in the minds of the public that the diamond industry has absolutely nothing to do with the areas of money laundering, terrorist financing or other high crimes. Such claims could cause irreparable damage to our industry by denting consumer confidence and we regard it as part of our mission to ensure that this does not happen.

We met with the FATF in Brussels last month, before its report was completed, and we intend to engage with this important organization again on a regular basis in the future. It is clear to us that the WFDB, which represents the vast majority of the world's diamond industry members via 30 affiliated diamond bourses all across the globe, has a duty to provide very clear and accurate input and to reach a solid and amicable agreement with the FATF. The diamond industry has nothing to hide and is in favor of transparency, so we are very much in favor of engaging with the FATF to ensure its reports reflect the reality of the diamond business.

This conference is also looking at the retail sector – and in this respect I would like to tell you a little about the World Diamond Mark (WDM). This initiative was launched by the WFDB in 2012 to promote consumer desire for, and confidence in, diamonds, and we are putting all our weight behind it because we believe it is critical for the health and the future of the diamond industry. The WDM was founded on the idea that sales of diamonds and diamond jewelry can and must perform significantly better in the luxury product consumer market. And to reach that goal, the industry - from diamond producers to retail jewelers - is acting together to promote, advertise and market diamonds and diamond jewelry more effectively and visibly to the end-consumer. Generic diamond marketing has been sorely missing for the past several years, and the WFDB believes the WDM can give our diamond industry a critical sales boost.

The WDM is built on four pillars:

- Generic marketing programs to increase diamond and diamond jewelry sales.

- Consumer information to increase consumer desire and confidence in natural diamonds.
- Retailer education and training to increase knowledge and retailers' performance.
- And fourthly, the Authorised Diamond Dealer (ADD) accreditation program to enhance and improve the reputation, brand value and revenue of jewelry retailers.

We are starting to see the fruits of the efforts to develop the WDM. Indeed, we had a very successful event right here in Dubai in February called the Dubai Shopping Festival which led to a surge in diamond jewelry sales. And, again in Dubai, Pure Gold Jewellery, a leading international retail jewelry chain headquartered in the United Arab Emirates, was the first jewelry retailer to adopt and introduce the World Diamond Mark's Authorised Diamond Dealer program. Pure Gold Jewellers operates more than 100 jewelry stores in the UAE and India, and will be implementing the ADD programs to enthuse consumers and enhance their buying experience.

Dubai markets itself as ideally located between Africa's diamonds and Asia's manufacturing plants and retailers. As an African myself, I am looking forward to hearing from the Mining Ministers and officials here and the panel discussion. Is beneficiation expanding? Is it financially feasible for Africa to grow its manufacturing capacity? These are critical questions.

Africa's role in the diamond industry has grown substantially in the past decade – and rightly so. Most of the world's diamonds historically came from this extraordinary continent – and continue to do so. De Beers made an historic decision in 2010 to move its sorting and aggregation activities to Botswana and that has proven to be a success with a seamless transition for Sightholders.

African states will decide for themselves where their diamonds will be marketed. Beneficiation gives these countries and their peoples more work and higher income. Should they continue to send their goods to the traditional markets for distribution or will they decide to travel on the New Silk Route. This is a fascinating question to which we would all like to know the answer and I, like you, look forward to hearing the case put forward.

And no less important are the issues of ethics, NGOs and business which will also be addressed. Sustainable development, working with civil society and operating in a way that helps diamond communities develop and prosper is critical. We don't do this as a sophisticated public relations strategy, but because it is the right thing to do.

Ladies and gentlemen, as I was coming into the city yesterday, I thought I would do some research about this amazing place. Did you know:

In 1968, there were just 13 cars here? Now, the city is building double-decker roads.

In 1990 there was just one skyscraper? Now, there are scores of impressive high-rises and the Burj Khalifa building is the tallest in the world and can be seen from around 90 kilometers away.

Did you know that one out of every 5 cranes on Earth is located in Dubai? Or that 40% of all the gold traded in world is traded here?

And did you know that Dubai is planning to build a climate controlled “city”, due to cover 4.5 sq km and with air-conditioned boardwalks connecting the various sections of the vacation spot together?

All of this shows how Dubai has completely reinvented itself and turned itself into a bustling financial and commodities center. It has become an important diamond hub and continues to develop.

Let us take a leaf from its book and have in-depth debates here that will enable the global diamond and jewelry industry to also understand how it can develop and remain relevant and convince consumers that diamonds remain, as they were for their parents and for many generations before them, a solid and sparkling way to show love and commitment.

I wish you all a highly interesting and fruitful conference.